

COMMISSION MEETING MINUTES
March 14, 2007

COMMISSION MEMBERS PRESENT:

Thomas Borne
Mike Kennedy
Katherine Startin

COMMISSION MEMBERS ABSENT:

Andre Gammage
Shane Hageman

Chairman Kennedy called the meeting to order at 1:15 p.m. The meeting was held in the ISTA Center, Second Floor Conference Center, 150 W. Market Street, Indianapolis, Indiana.

Chairman Kennedy announced that a quorum of the Commission members were in attendance. A motion was made and unanimously approved to accept the minutes of the Commission meeting of September 20, 2006.

Dennis Obergfell at that Chairman's request introduced the following new staff members: Yifei Yuan, hired as a Systems Analyst in the Information Technology Division and Laurie Gavrin hired to replace Nick Vesper as SSACI's Director of Research and Policy Analysis. Mr. Obergfell highlighted both former candidates' strong credentials.

Chairman Kennedy read R-3.2007.3 (attached) resolution. The Chairman presented a gift to Mr. Vesper thanking him for his outstanding years of service to SSACI and the state of Indiana. Mr. Obergfell stated Mr. Vesper's contributions to SSACI and the student's and schools of Indiana were simply put: extraordinary. Mr. Obergfell said that Nick's talents knowledge, skills and abilities would be sorely missed and thanked him for his significant contributions to the agency.

The Chairman then asked Mr. Obergfell to give the Director's update. Mr. Obergfell stated that staff has been very busy tracking legislation. He said he presented the agency's budget to both the House Ways and Means and to the Senate Finance Committee and thought both sessions went as well as could be expected.

Chairman Kennedy asked Mr. Obergfell to give the Grant Division Update. Mr. Obergfell mentioned that the number of FAFSAs filed to date was up over 20,000 from a year ago but that no conclusions should be drawn from this insofar as what total applicant pool will be when all is said and done. He said that the increase to date could very well be because students are filing electronically as opposed to using the paper FAFSA; in other words the FAFSA data is just getting to SSACI quicker by the federal processing center. Mr. Obergfell said that staff will soon start tracking the number of students who meet the new means test methodology. He noted that the new means test-eligible population is perhaps the largest unknown variable that staff will need to consider when suggesting award caps for the 2007-08 academic year.

The Chairman introduced Dr. Susan Pugh from Indiana University to speak about IU's 21st Century Covenant program. Dr. Pugh brought several brochures entitled "Your Gateway to Opportunity." She stated that the brochure has been sent to all Twenty-first Century Scholars and is also on IU's web site (www.iub.edu/-covenant). Dr. Pugh said that beginning with all 2007-2008 freshman Twenty-first Century Scholars, IU will promise to provide them sufficient grant aid to meet the full cost of attendance, giving bachelor's degree students the opportunity to graduate debt-free in four years. Dr. Pugh stated that IU anticipates there will be 300 freshman students the first year, and when they have full cohort in place they expect to have about 1,000 students at a cost of \$8 million dollars to Indiana University. She mentioned they have a Pell Promise program that does the same for Pell eligible students who have an SAT score of at least 1150. Mr. Obergfell and the Chairman both commented on the positive significance of IU's program.

Mr. Obergfell spoke about the Lumina Foundation Twenty-first Century Grant program. He said that Lumina awarded nine Indiana colleges (IU, ISU, St. Joseph's College, IU-South Bend, IU Southeast, Ivy Tech-Fort Wayne, Ivy Tech-Gary, Purdue University and University of Evansville) grants over \$855,000 for the purpose of increasing graduating rates of 21st Century Scholars.

The Chairman called on Yvonne Heflin to summarize the work of the Special Programs Division. Ms. Heflin delivered the report attached to these minutes.

Chairman Kennedy asked Laurie Gavrin to give the legislation update. Mrs. Gavrin spoke about HB 1208 which would provide disabled veterans who joined the military after 9/10 fee remissions to attend school. She stated the annual cost could be up to \$13 million by 2011. She then spoke about HB 1266 which allows foster care students or those placed in a child caring institution, a group home, or the home of a relative or other unlicensed caretaker to : (1) enroll in the Twenty-First Century Scholars program at any time before the student graduates from high school; (2) not be required to be eligible for free or reduced price lunches to participate; and (3) not be required to have a custodial parent or guardian agree to the student's participation in the program.

She then addressed HB 1647 which intends to expand eligibility for the Twenty-first Century Scholars program to grade 6. She noted that several years ago when SSACI allowed 7th grade students to enroll in the program in addition to 8th graders that enrollment increased by 5,000 (from 7,300 to 12,300). She said it is possible the enrolled scholars will jump dramatically by another 5,000 or so if 6th graders are included. She noted that all of the programs mentioned, and in particularly 1208 and 1647 would require significant administration costs for the agency to perform what is being requested. The last bill Ms. Gavrin spoke about was S.B. 577, the new Hoosier Hope Scholarship. She said that the program would award \$5,000 in each of four years (or \$2,500 for up to three years for associate's degree) to students chosen on a merit basis. Mrs. Gavrin said the Hoosier Hope Scholarship is estimated to cost \$134 million (FY 2006-07) to \$170 million (FY 2009-10). The Hoosier Hope Scholarship is currently dependent on legislation privatizing the Hoosier lottery.

Mike Kennedy asked Mr. Obergfell to speak about the Senate Finance Committee hearing. Mr. Obergfell stated the hearing went well and that under the senate bill SSACI's budget for the 2007-08 academic year award caps would likely be funded at \$5,692 and \$10,272 for public and independent colleges respectively with a proportional increase of 3% in year two. Mr. Obergfell said that if the General Assembly finishes the session in time that SSACI would try its best to be in a position to make final award recommendations at the next Commission meeting.

After Nick Vesper updated the commission on the agency's budget submission, its methodology, and its relationship to HB 1001, he summarized the handout that is attached to the minutes.

Mike Kennedy said that while the next Commission meeting is scheduled for May 9, 2007 if the General Assembly didn't finish on time then the commission may be forced to set another date to determine final award amounts for the 2007-08 academic year.

Mr. Obergfell then spoke about the Indiana Department of Education's Technical Honors Diploma that they will officially issue with the 2010 high school graduating class. He referenced letters submitted to the Commission by Dr. Suellen Reed (Superintendent of Public Instruction), Commissioner Stan Jones (Commission for Higher Education) and Commissioner Andrew J. Penca (Indiana Workforce Development) encouraging the Commission to grant SSACI award differentials to those who graduate with a Technical Honors Diploma at the same 100% level given to those who graduate with an Academic Honors Diploma. After a brief discussion Katherine Startin moved to approve the recognition (R-3.2007.1 see attached). The resolution was seconded and unanimously approved by the Commission.

Tom Borne moved to approve the estimated Frank O'Bannon award caps for the 2007-08 academic year based on SSACI's budget request and the budget approved by the Governor (R-3.2007.2 see attached). The resolution was seconded and unanimously approved by the Commission.

The Chairman then invited Mr. Mark Franke to present ISFAA's position paper on Indiana financial aid programs (see attached). Mr. Kennedy thanked Mr. Franke and ISFAA for their thoughtful suggestions and said that the Commission would take them into consideration when reviewing future policy directions.

With no further business, a motion was made to adjourn the meeting. The motion was seconded and carried unanimously.

State Student Assistance Commission of Indiana

By John Michael Kennedy
John Michael Kennedy, Chairman

By Thomas K. Borne
Thomas K. Borne, Secretary